

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Georgia-Pacific Corp n/k/a Domtar Pulp and Paper

Maine Manufacturing Extension Partnership

Preserving 122 Years of Papermaking in Old Town, Maine

Client Profile:

Georgia-Pacific, headquartered in Atlanta, Georgia, is one of the world's leading manufacturers and marketers of tissue, packaging, paper, building products and related chemicals. With 2003 annual sales of more than \$20 billion, the company employs approximately 55,000 people at 300 locations in North America and Europe. Georgia Pacific acquired the current Old Town, Maine, mill in 2000 as part of the Fort James acquisition. The mill site history goes back to 1882, where a soda pulp mill was constructed to use the byproduct of a local saw mill. The facility currently employs about 440 people and spends \$18 million in the local economy.

Situation:

The Georgia-Pacific Old Town, Maine, mill faced many challenges in the last few years. Overcapacity of paper, remote geographic location, as well as energy and fiber costs, made the mill less competitive. In 2003, the entire tissue and converting complex was shut down because of cost positioning within the company. Several million cases a year of Brawny®, Vanity Fair® and Quilted Northern® tissue products manufactured by the Old Town mill were moved to more competitive Georgia-Pacific mills. The mill retained 300 employees for their pulping operations; however, over 300 people lost their jobs with this permanent closure. The city of Old Town and surrounding areas were devastated by the news.

Solution:

In May of 2003, creative thinking between the State of Maine, Georgia-Pacific and PACE Local 1-080 generated a plan to allow the mill to restart more than half of the equipment and call back 150 employees from the April 2003 layoff. The plan hinged on reducing energy costs by relocating a biomass boiler from Athens, Maine. The plan's success also rests with the training of the operators, engineers, technicians and maintenance personnel assigned to the energy saving boiler. The Maine Manufacturing Extension Partnership (Maine MEP), a NIST MEP network affiliate, is providing assistance via the H-1B Technical Skills Training Program, which is reimbursing \$360K of Georgia-Pacific's \$720K investment in training. Key employees are being trained in all aspects of the new biomass boiler, as well as other mill efficiency improvements. The biomass boiler is an integral part of Georgia-Pacific's plan to reduce operating costs, which allows the mill to remain competitive in the industry. Georgia-Pacific is establishing in-house training via computer-based classes, where employees learn the inner workings of the biomass boiler, as the boiler is under construction. Other mill training projects include improving process control technology and upgrading skills in the maintenance department.

Results:

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- * Helped retain 440 jobs in Old Town, Maine (pop 8,500).
- * Recalled 150 jobs previously laid-off.
- * Saved several million dollars a year due to boiler running at capacity.
- * Reduced delays due to well-trained workforce.
- * Created five new positions to operate the relocated biomass boiler.

Testimonial:

"The H-1B Technical skills Training Grant awarded in June (2004) is greatly appreciated. The award will allow the facility to conduct training for our workforce that improves the cost structure and operational reliability of the mill."

Jennifer Johnston, Utilities Training Coordinator